

**HIGH POINT CITY COUNCIL
SPECIAL MEETING MINUTES
MAY 11, 2022 – 3:00 P.M.
COUNCIL CHAMBERS – MUNICIPAL BUILDING**

MINUTES

CALL to ORDER and ROLL CALL

Mayor Wagner called the Special Meeting to order at 3:02 p.m.

Upon call of the roll, the following Council Members were **Present (3)**:

Mayor Jay W. Wagner; Mayor Pro Tem Monica Peters (Ward 3) [arrived at 3:20 p.m.]; and Council Member Britt W. Moore (At Large)

Participating **Remotely (3)**:

Council Member Wesley Hudson, Council Member Chris Williams, and Council Member Tyrone Johnson

The following Council Members were **Absent (3)**:

Council Member Cyril Jefferson, Council Member Victor Jones, and Council Member Michael Holmes

Staff Present:

Tasha Logan Ford, City Manager; Greg Ferguson, Deputy City Manager; Eric Olmedo, Assistant City Manager; Robby Stone, Public Services Director; Ryan Ferguson, Marketing Manager; Stephen Hawryluk, Budget & Performance Manager; Bobby Fitzjohn, Director of Financial Services; Roslyn McNeill, Budget Analyst; Linda Price, Budget Analyst; Tommy Reid, Fire Chief; Jeron Hollis, Managing Director; and Lisa B. Vierling, City Clerk

Others Present:

Melody Burnett, President, High Point Convention & Visitors Bureau (Visit High Point); Tom Conley, CEO, High Point Furniture Market Authority; Terry Venable, Vice President of Operations and Finance- High Point Furniture Market Authority

PRESENTATION of ITEMS

2022-216 **Presentation- High Point Convention & Visitors Bureau (CVB)- FY 2022-2023 Annual Budget/Contract**

As part of the annual budget process and in preparation of the pending adoption of the City of High Point's FY 2022-2023 Annual Budget, City Council will hear a presentation regarding the Convention & Visitors Bureau's FY 2022-2023 Annual Budget. Following the presentation, this matter will be heard by the Finance Committee on Thursday, May 12th and

the Finance Committee will forward a recommendation to be considered by the City Council for approval of the FY 2022-2023 Convention & Visitors Bureau's Annual Budget/Contract at the City Council Meeting scheduled for Monday, May 16, 2022.

Melody Burnett, President, High Point Convention & Visitors Bureau (Visit High Point), presented the proposed FY 2022-2023 budget for the HPCVB (Visit High Point) as follows.

_____ *Transcript* _____

Melody Burnett: I'm pleased to present to you our FY 2022-2023 budget. Within your materials as well we also included an amendment to our current FY budget which is FY 2021-2022 because we're recovering quite nicely. You know two years ago we were thinking that full recovery could take place within 2024, but we are surpassing even some of those numbers in FY 2018-2019 as well.

So, just to give you an outlook on what occupancy tax is trending like within Guilford County and High Point, you'll see the best year that we had to date was FY 2018-2019. If you will recall that was the year that we implemented our Strategic Plan for Tourism and also had a surplus at the end of the year to make some investments with the Market Authority, with their concert series, as well as some investments on Oak Hollow Lake regarding the floating dock, as well as the race course as well. So, that was a really great year. Then, of course, eight months from there, COVID hit in March 2020 and then we started to go downhill. So at 19-20 we're at \$1.4 million and then, of course, the following year which was a full COVID year, we were cut in half at about \$801,000, but then, as you look into our current fiscal year which is 21-22, we projected a \$1.3 million of occupancy tax receipts and we are delighted to report to you that we anticipate an additional \$385,000 of receipts that will get us up to \$1.7 million. So, we've already made some amendments to that budget, approved it, and have that allocated on how we're going to spend it.

For next Fiscal Year starting in July 1, we are projecting an increase, that will get us to \$1.8 million. Of course, our hotels are following in suit as well. We are at 65% occupancy with our local hotels here in High Point. I was telling someone previous to the meeting, you know, our demand is high and our supply, of course, has dropped since pre-pandemic, so, of course, we're meriting a lot of that traffic outside of a 200-mile radius. It's more leisure travelers who are staying and they are staying a little longer than usual. So, it's a different visitor than we're accustomed to; however, they are getting the job done and we are happy about that.

Of course, our governor last week announced during National Travel and Tourism week last Thursday that they, too, as an overall state, see that we're only 1% off from 2109. And just to let you know, as tourism ambassadors, you know, if you have a resident here in town that doesn't fully understand our work, you can tell them that the visitor economy, because we have a strong visitor economy here in High Point, they are able to save an average of \$222 per resident with state and local taxes and, of course, during the pandemic, that number was diminished to \$170 per capita, so we're happy to see that stronger number.

Just to remind those who are tuning in remotely, we did revamp our mission as of June 2020, so we are positioning High Point as a vibrant destination for visitors to enjoy and locals to want to promote and that is our desire that the locals have a shared community value within that mission as well. There's a lot of indirect work that hinges on that mission. It's not just

totally transaction, putting heads in beds, there's a lot of placemaking that's involved, product development, destination management, calendar management, you name it. Anything that's good to uplift High Point's brand, we're all about that.

To reflect on our allocation for this current budget, like I mentioned before, we're going to envision an extra \$385,000 that we anticipate between now and June. Of course, that June occupancy tax check reflects a very strong April market, so how we're going to allocate those funds would be, you do not see the administrative line item here because we didn't have to make any adjustments for this fiscal year; however, when I present next fiscal year's budget you'll see some differences there.

But for this fiscal year, we're going to make some enhancements to operations of about a little over \$44,000 which is an 11% increase. We have some equipment needs that we need to upgrade and we'd like to go ahead and do that now. For direct bookings, we have some additional funding of \$25,070 that we would like to allocate and that's for the High Point By Design effort as well as enhance our photo library. Then for tourism, we'd like to make some enhancements and do some printing now instead of waiting until next year. Our signature pieces are our furniture shopping and design guide, so you can imagine how robust that is having 58 retail furniture stores/showrooms and then 100 stores within a 50-mile radius, so we want to totally own that brand here in High Point.

Then for grants, we have some specific projects that we would like to designate for specific project allocations that would be, Number One, we want to allocate some funds to do a Coltrane mural right there on Main Street. We have the funds to do it, we have already solidified the artist, we just have to get the permission from the business owner and that's what's holding up that process, but hopefully we can get that done within the next six months.

Also, we would like to allocate funds to have a Truist Point website. We do have a website for the High Point Rockers as we envision that footprint to become more of use, that's going to be more of a bigger need and so we're already having some conversations about that as well.

Then, of course, allocating the \$29,750 and go ahead and put the race course on Oak Hollow Lake. Of course, we want to rollover \$75,000 into our reserves as that will put us at one-year operating expenses saved up on our balance sheet just in case we have the unexpected, you know, the recession that may be impending, other issues with the pandemic, or something like September 11th. We always anticipate about every 8-10 years to have to plan for the unexpected where travel could be affected.

Just to give you an idea about our organizational strategy, right now we are a staff of 4.5; we'd like to get to 8. So, some of the new positions that we have outlined for you is the events development manager, that is a brand new position that will be on staff. We are interviewing for that position right now. We'd like to make an offer by next week. This person would really be activating homegrown, spectator events happening in downtown to really make downtown a destination and drive that consumer traffic to our small businesses and our Truist Point stadium, as well as activate Oak Hollow Festival Park and other areas of needs as our youth and amateur sports market is really starting to cultivate as well. We're having more conversations about e-sports, soccer, and rowing, so we want to be able to have that capacity to support that effort as well.

We'd like to do a position rebrand to have an existing position that's director of sales and marketing to VP of Branding. As the city is contracting with CivicBrands to do a strategic branding initiative. We want to be able to support those efforts as well. Then, of course, we'll be hiring a branding content manager as of next month. Then, of course, our Executive Administrator will be retiring as of September, so we'll have to replace that position as well.

So, what that looks like in our budget, for instance, just our receipts alone, of course we've already talked about \$1.8 million that we anticipate starting in July. Then the other allocations, we do have a sponsorship revenue line item of \$75,000 and just as a reminder to this group, how that works is if a business wants to have promotional advertising space either within our visitors center or any of our marketing materials, those funds are directly earmarked and then transferred with a vote by our board to go directly to destination development grants that's administered through our Drive High Point Foundation. So, we're really proud of that program. But those funds get directly filtered back into the community. That brings our total budget at \$1.958 million for FY 2022-2023 and that restores us even ahead of FY 2018-2019 pre-pandemic.

Administrative wise, this will be our biggest adjustment for our budget. This will be an increase of about 65%. We're going from a designated budget with five positions, as of this FY and increasing those to 8. We do a comprehensive salary analysis every three years, and we did go through that exercise this year and really did need to make some adjustments for retainment and recruitment.

Operating expenses, that's dropped down to about 9% based off this fiscal year compared to next. We're going to make a lot of those adjustments within this fiscal year and won't need to for next. Of course, you all probably read in the paper this morning that we are able to stay in our space. We do have two more years of that lease that we do not anticipate much disruption to that. And everything else here in these line items are fixed.

Direct group booking advertising and expenses here. Right now, we are not real transactional in these line items. Eventually we'll get there because we're still very much focused on product development, as you can see our line item for the Market Authority still stays stable at \$150,000 as well.

We do have \$15,000 allocated through year-round designer B to B effort with High Point by Design. They are in year three, they do have a managing director, and we've worked really closely with the High Point Market Authority in formulating those strategies and want to have some funds in place to be able to lean on that as well.

Going into tourism, these line items are a little more robust. Within here we're going to work on not only our tourism campaigns but within a 200-mile radius but something that's a little new for us is hyper local marketing campaigns. Our attractions really need help right now with making sure that not only does High Point recognize them as a place to go for entertainment or dining or connection, but the Triad needs to know as well. So, we did a formal survey with our attractions and they're saying we're just not getting the kind of visibility from our local media partners and we need help with that and what we realize quickly is that a lot of our attractions do not have a designated PR person or even a PR contract in place, so we really want to help them with that through advertising with Fox8, Yes Weekly, HPE, and WXII as well.

We're also implementing a new text communication through our visitors as well as our restaurants. We learned during the pandemic that restaurants are really hard to connect to, so they have volunteered their cell phone numbers to us so that we can quickly let them know that, hey, we think that restaurant revitalization funds will be available for you in the next month to get them armed and ready to row in that direction. Then we also have that text platform as well for our visitors that want to connect with us more directly outside of our website or through our on-line presence too.

Then, of course, there at the end, we have those designated grant expenses that I talked about earlier. We'd like to do a lot of those now, but if we can't get around to them by the end of June, we can always earmark those to be channeled through for next FY as well starting in July.

We do want to do a campaign with PBS. We think that's a good market for us. Of course, that's more of an affluent visitor. You all know that Dr. Qubein is doing side by side conversations with them on PBS. It will go into syndication this summer and he does plan to do another Season 2 this fall. They also have a rundle program which is directly targeted towards families and children's attractions, so now that we have more of those attractions like the Children's Museum, we'll be able to do more marketing campaigns with that as well.

That kind of gives you the overall picture of what we're doing via our marketing dollars that are allocated for administrative, operation, and marketing. We do like to stay within compliance of Destinations International and they say that you should have your budget structured to be about 40% administrative and 12% in operations and of course 48% with marketing and programming. We are very much in compliance doing 30% with administration, 12% with operation and 52% with marketing and programming.

I will say that we're also working very closely with our partners in the downtown area. We have very regular downtown events committee meetings. We hold those about every month. We haven't had one in a month, in the last month or month and a half. We've been really working in sub-committees. We have a sub-committee for the food truck festival. We have another committee regarding the holiday event that's coming up as well. So, we're putting a lot of effort towards that and there's some funding in here where, if you know a homegrown event comes to fruition, we can try to lend some support with that. I would like to formally thank city council for your efforts in the last few months of earmarking some of those five events that we had grandfathered in through in-kind services. We appreciate that.

At this time, I'd like to entertain any questions that you may have of me.

Mayor Wagner: *Do any council folks online have any questions for Melody? [no questions].*

[end of transcript]

2022-217

Presentation- Market Authority's FY 2022-2023 Annual Budget/Contract

As part of the annual budget process and in preparation of the pending adoption of the City of High Point's FY 2022-2023 Annual Budget, City Council will hear a presentation regarding the Market Authority's FY 2022-2023 Annual Budget/Contract. Following the presentation,

this matter will be heard by the Finance Committee on Thursday, May 12th and the Finance Committee will forward a recommendation to be considered by the City Council for approval of the Furniture Market Authority's FY 2022-2023 Annual Budget/Contract at the City Council Meeting scheduled for Monday, May 16, 2022.

_____ *Transcript* _____

***Tom Conley:** Transportation would have gone through the roof, so now we've brought it in house and not only has it saved us money, but the efficiency has been increased, better level of service, better equipment, and now it's time to turn our efforts toward technology. So, we're going to work on technology from a transportation standpoint, a registration standpoint, and a marketing standpoint and we hope to be able to deliver the kind of tourism dollars that this city, county, and state needs in order to be successful.*

If you want to look at the numbers, I'm happy to address any specific line items, but I just thought that I would give you a general overview of how we got to where we are because it's been an interesting journey to say the least.

[end of transcript]

2022-218 Budget Review- Proposed City of High Point Proposed FY 2022-2023 Annual Budget

Staff will provide an overview of the proposed FY 2022-2023 Annual Budget. This meeting date/time was established and set by City Council at the City Council Meeting held on Monday, May 2, 2022 at 5:30 p.m. The City Council will hold a public hearing on the proposed FY 2022-2023 Annual Budget on Monday, May 16, 2022 at 5:30 p.m.

***Mayor Wagner:** Madam Manager, I'll turn it over to you and let you direct us from here.*

***City Manager Tasha Logan Ford:** Thank you, Mayor. The next portion of our presentation, we're going to take a more in-depth look at our proposed budget. There are a couple of items that we want to focus on as we go through the budget today, focusing our reveal comparisons, looking at adjustments via adjustments that are proposed in the budget, and then take some time to look into our Capital Improvement Plan to understand the priorities in our departments so they can continue providing services to the citizens. There are a number of new positions or different position titles that are requested in our current budget and then we'll conclude by looking at our community agencies. There are a portion of the agencies that are listed in the budget that received a direct allocation of some sort from the city that we support and have traditionally supported in the past. That remains the same. Then we have our community agencies that would be eligible to apply for the 1/3 of a penny and we'll talk about the process of where those agencies would come before the Finance Committee for a recommendation and then to the full Council.*

So, those are some of the high level topics that we'll cover today and based on where we get the discussion today, we'll need to make a determination about which meetings we'll

need to continue prior to the public hearing on May 16th. So, with that, I'll turn it over to our budget manager to lead us through this portion of our meeting.

Stephen Hawryluk: *Thank you and good afternoon, Mayor and members of Council. This first slide is kind of a high-level agenda, kind of reiterating what the manager talked about. Just some updates, responses to questions; going in a little bit of detail in the Capital Improvement Plan; some detail on new positions; some details on the proposed changes in fees; agency funding; and the next steps.*

This table here is in response to a question from last week's budget presentation. The question was how does Guilford County's increase in evaluation for the revaluation compare to other counties that are also having revaluations. So, this list is what we discovered for the other counties in North Carolina that are having revaluations in 2022 that would affect their FY 2023 budgets. I've noted the last three revaluation years. Just a little reminder, every county must do a revaluation at least once every eight years. You see some counties are on that eight-year cycle; one on a seven-year cycle; a couple on five, which is what Guilford is on; and then a couple that are on a four-year cycle. We weren't able to get responses from everyone but shown is the estimated growth that we were able to determine. You can see it's a wide array of growth, even ranging, depending on when the last revaluation is. One thing we kind of see out of this is that every county is unique. For example, Onslow County, they are kind of.....being down at the coast kind of reflects their changes in values. Mitchell County is up in the mountains, so Watauga County has a very large, estimated growth. Their last reval was in 2014, so that's eight years to accumulate a lot of growth and appreciation in their tax base.

We wouldn't necessarily say that a lot of these counties are similar to Guilford County. They are all unique in their own ways, so just for context, Forsyth County had a revaluation last year. So, while that didn't capture all of the very large amount of growth that we've seen since that time, their revaluation growth which is on a four-year cycle. So, since 2017 they grew 13%. So, the market was our kind of approach in that. We, obviously, having that one year later you see a bigger jump. So, I just wanted to provide that for context since they're also in the Triad. You know they are a large city just in comparison to these other counties.

Another response to questions had to do with street resurfacing. So, the proposed budget for FY 2023 allocates a little over \$3.3 million for the annual resurfacing contract. In 2021, the contract allowed for resurfacing of 22.47 miles. The annual contract that was just put out to bid a couple of months ago was for 28.51 miles. So, the cost in 2021 for those 22 almost 22 and a half lane miles were at about \$119,000 per lane mile. The bid price that came back for '22, which was, again, those additional miles of 28 and a half miles, was at \$161,000 per lane mile. So, that's really the number that we're looking at for how many lane miles could we do with this current allocation of funds. So, we took at \$161,000 per lane mile and multiplied it by really two numbers: the number of lane miles from 2021 and then the current lane miles that were bid. You see those totals to bid those numbers of miles ranging from \$3.6 million to \$4.6 million. Both of those amounts exceed the proposed budget, so if we wanted to reach one of those levels of lane miles to get to the 2021 amount, the budget would need to be increased by a little over \$327,000; to

reach the amount of miles that were bid for 2022, the 28.51 miles would require an additional budget of little over \$1.3 million.

Mayor Wagner: *Okay, I've got a question. Maybe I missed it, but why the difference in lane miles? Is that just based on our schedule.*

Bobby Fitzjohn: *We did increase the budget in 2022 to accommodate more lane miles and that's part of why it's higher.*

Mayor Wagner: *I just didn't know if we try to do 25 miles a year, or if it depends on which streets are on the schedule and how long they are.*

Robby Stone: *Each year we would look at the budget.... [approaching the podium]. What Bobby stated is correct. Each year, we just look at the budget that's allocated and basically take that budget and based on the most recent estimate that we have an apply that, so the increase that would be allotted that you all are in agreement with and last year that's why the mileage went up from the previous year.*

Mayor Wagner: *So, are we saying essentially that we're matching the number of lane miles to what the budget is instead of the budget to the lane miles?*

Robby Stone: *Yes.*

Mayor Wagner: *Okay, we're paving based on the money we have. We're not matching the money to the amount because we'll probably need it.*

Robby Stone: *That's correct.*

Stephen Hawryluk: *Those were the main responses to questions we had and now we'll kind of get into the other topics that we listed out at the start.*

The Capital Improvement Plan. *So, this slide was presented last week, it's just the proposed FY 2023 total dollar amount for capital projects by each fund. I'll note on general capital, that's a restoration from zero dollars from the current budget and of that \$2.5 million; \$1.4 million is a transfer from the General Fund that's supported by our general revenues, you know, tax dollars. There's one project that's funded by contributions from the other Enterprise Funds that are funded from the charges for service. So, that's why that amount is \$2.5 million. And just to note, on Transit, while that total amount of almost \$1.5 million, that is a combination of federal, state, and local revenues, and we'll go over those projects and kind of have a little bit of breakdown on what our local share is for those projects.*

So, this is the kind of detailed allocations for our general capital projects. I'll just kind of highlight what's going on with some of these.

- ✓ Fire HVAC unit replacements. This is for unit replacements at fire station headquarters, Stations 12, 13, and 14.
- ✓ The improvements at Southside Recreation Center are for an HVAC system and some exterior painting. Morehead Recreation Center, some roof repairs, renovations to the doors, and, again, HVAC and painting.
- ✓ Recreation fire alarm upgrades. These are fire alarm upgrades that are necessary at Oak Hollow Golf Course, Morehead Recreation Center, and Oakview Recreation Center
- ✓ Skeet Club Road sidewalks
- ✓ Improvements for Mendenhall Terminal include digital messaging signage, lighting, and some kiosk improvements
- ✓ Substandard street maintenance. This is for maintenance on streets that are unpaved. There's, I believe, 28 miles of unpaved streets here in the city, so this helps with drainage and things of that nature as those roads deteriorate.
- ✓ Cemetery paving and asphalt road work and that's for Oakwood Cemetery

There is an asterisk there on the ERP upgrade, that's the Enterprise Resource Planning system, it's the city's financial and personnel management system. So, the \$1.1 million for that is currently funded with contributions from the other funds. There will be a General Fund contribution to come later and we'll discuss that on the next slide.

We were not able to allocate budget for every project that we thought, you know, if we had more dollars available that we would have funded for. So, we are discussing, potentially, a mid-year capital budget amendment. Our current projections show a likely addition to General Fund reserves. That's just a projection. We don't know what that is. We'll know later into the late Summer or early Fall. If we do meet or exceed those projects, we believe we can look at our projects and do a mid-year capital budget amendment. This would look at the next tier of projects, any other priorities that come up between now and then, and it would be funded by one-time General Fund reserves.

These are some potential projects that could be on that, but again, we would reassess all of our capital needs and see how much funding is available and then come to Council with that at that time.

The next few slides just go through the specific projects by fund. So, on the Water/Sewer side, it's a combination of kind of big projects at certain locations but also our annual routine projects. The annual routine projects are things like replacement of obsolete water lines, obsolete sewer lines, water system improvements, sewer system improvements. I will note on a couple of the projects:

- ✓ Work order system upgrade. CMMS is computerized maintenance management system. This is an upgrade to the Public Services work order system, which hopefully then can be used by all of Public Services divisions.
- ✓ Westside Centrifuge upgrade. This is an upgrade to the de-watering equipment. The existing equipment is 25 years old and has about reached its end of life.
- ✓ East Washington Street. That is replacement of obsolete lines for that specific street, so it's in addition to the other routine obsolete line replacements.

- ✓ NCDOT- Scientific Street. NCDOT is reworking a bridge on Scientific Street, so the utilities will have to be moved and that will be our contribution to that project.
- ✓ Pre-Heat Burner. That is for the incinerator at the Eastside Wastewater Treatment Plant.

Total for the Water/Sewer proposed Pay-Go projects total \$10,343,350.

Looking at Electric, similar to Water/Sewer, it's a combination of kind of on-going projects that we have every year, street lighting, area outdoor lighting, overhead to underground conversions. There are also some transformer replacements at Deep River, Fairfield, and Jackson Lake. And there's also some continued funding for some projects that have been on-going for a couple of years including the Qubein Avenue underground project and the automated meter reading initiative.

The total on the Electric side for the Pay-Go projects FY 2023 is \$11,340,000

On the Solid Waste side, a lot of the same. They are routine projects that we fund just about annually, post closure reserve fund, ongoing maintenance at the Material Recycling Facility. I do want to point out the Wide Box Dual Ram Baler replacement, that is at the material recycling facility, so what this replacement would do is it will allow for more dense weight of the bales. Public Services believes this will lead to more revenue for the sale of recyclables and the process should become more sufficient. It's a pretty big piece of equipment, so that's why you see it in the Capital Projects Fund as opposed to in the Solid Waste Operating Fund.

The Total of the Solid Waste budget for the FY Capital is \$5,929,000.

And then this last slide just talks about the other Capital Projects. On the Transit side, totaling almost \$1.5 million. I will note that the local match for that is \$196,875—depending on the project we have anywhere from a 10-20% match. The state also provides matching funds. So, those are the total amounts but our local match, local commitment is much less.

On the Stormwater Capital side, the routine stormwater projects, this is kind of an annual maintenance account and as projects come up, Public Services kind of taps this fund to cover them and then some asphalt parking lot resurfacing at the Municipal Operations Center. And while that budget totals \$300,000, it's going to be shared between stormwater, water/sewer, and electric as they all have staff and employees down there at the MOC.

Moving on from Capital and turning to new positions, this table was shown in both presentations last week. I just wanted to kind of show it again. The new positions recommended in the budget, those first three lines, the city attorney's office and the fire positions, those are the General Fund positions. The other positions are funded by the Enterprise Funds for electric, water/sewer, solid waste, and stormwater. I'll also note again, the higher cost for the positions like water plant supervisor, the solid waste manager, the assistant superintendent, those have a vehicle that's part of those positions

duties, so the Year 1 cost is a little inflated. In Year 2, there would be no purchase of a vehicle and the price would go down.

So, just going through the funds and kind of highlighting a little bit of the justification for what those positions will be doing or what they're needed for. The two assistant city attorneys would assist with the growing workload of cases, review of regulations, review of North Carolina General statutes. The paralegal would provide legal research for the city attorney and the assistant city attorneys. The two fire battalion chiefs....so, currently the northside battalion chief is managing ten companies; the southside battalion chief is managing nine companies, so this current span of control does not comply with National Fire Standards. So, adding the two should get them closer to those standards and the positions would oversee the B and C shifts respectively.

Council Member Moore: Question. You used the term and I know the chief is here. You used the term that it would get us closer to those national standards. Will it get us to those national standards?

Fire Chief Tommy Reid: Anything that you manage, typically 1 to 7 with 5 being optimal. This would give us, obviously, I think each battalion chief would be three per shift and would have six, six, and seven. So, it helps us manage quite a bit. In reality, right now, on A shift, they have three battalion chiefs. We got one two or three years ago, but we never funded the B and the C shifts. It also increases our safety factor. You always have two frontline supervisors, one that's watching the safety aspect and one that's running the operation side. So, it puts us in compliance and puts us in line with what every other major municipality is doing.

Council Member Moore: Thank you.

Mayor Pro Tem Peters: I have a question, Steve. So, for the city attorney's office, will we now have six staff people in the attorney's office?

Meghan Maguire: Yes, those three, plus the three that we currently have.

Mayor Pro Tem Peters: Okay, because I thought....I knew that we were going to hire one assistant attorney and then a paralegal. I didn't know that it was two. Is that common within cities to have six people?

City Manager Tasha Logan Ford: It depends on workload.

Meghan Maguire: It's population too. You know, the bigger the city, obviously, the higher the workload. We did kind of a study and looked at that comparable population sized cities, they had staffs a lot larger than the three we have now.

Mayor Pro Tem Peters: Okay, so then we won't have a need to use any outside attorneys?

Meghan Maguire: *No, we would still have a need probably for outside attorneys for specific matters, especially litigation, some appointment matters, things that cities always use outside attorneys for, but some of the work that's right now, going to outside attorneys would, perhaps, be able to go to these additional attorneys. It wouldn't be completely zero. No city, whether it be Charlotte that has a staff of about 40 attorneys, or Raleigh....every city still uses outside counsel for certain matters like litigation.*

Stephen Hawryluk: *Going to the positions in the other funds, in Water/Sewer, a water plant supervisor. So, there are new lead and copper testing regulations that are upcoming in the next few years, so this position would serve as the lead to make sure we meet those regulations. In Electric, an additional powerline technician and this employee would work between the transmission and distribution service crews. This work is actually currently being done by a contracted employee; however, at times, that staff is not always available. So, this just shifts the cost for the contract over to the cost for the position. In Year 1, it actually provides some savings to the Electric Fund. Over several years, that may get closer to even, but would depend on what the potential growth in the contract would be. But the availability would be much more reliable by having it as a department employee.*

On the Stormwater side. The stormwater superintendent, this position would provide oversight of National Pollution Discharge Elimination System requirements, and also assist in responding to customer stormwater issues and complaints.

Then lastly, in Solid Waste, in Environmental Services, a grounds maintenance supervisor and three part-time groundskeepers. The maintenance supervisor would provide service and oversight of a crew, which is the three part-time groundskeepers, to serve the growing needs in the downtown area. A Solid Waste manager in this position would assist in managing the Solid Waste Divisions and helping with long range planning, organization, scheduling, staffing, budget management, other things that would come up for that position. Then an assistant solid waste superintendent would perform technical, as well as administrative work in overseeing operations at the Kersey Valley Landfill in addition to the Ingleside Composting facilities.

Moving on to the fee schedule.....

Council Member Moore: *Before you go there, in a nutshell on all of those positions that you just described to us, what was the total number of positions?*

Stephen Hawryluk: *I believe there was 11 full-time and 3 part-time. Yes, 11 full-time and three part-time.*

Council Member Moore: *Thank you.*

Stephen Hawryluk: *First on the Fee Schedule I'm going to talk about water/sewer rates. The proposed budget proposes to increase the water/sewer rates by 4%. What's driving that increase are a couple of things: higher operating costs, costs for personnel, and also inflationary items such as chemicals, fuel, supplies, and also supporting the water/sewer*

Capital Improvement Plan. So, we touched on the projects for the Pay-Go projects, but there are also projects that are funded by Revenue Bonds. Those come to Council as they are needed. And then water/sewer rates help pay down the Debt Service on those Revenue Bonds.

The increases also help with debt covenants. Increases have been kind of going on fairly regularly since early 2000s. They were deferred during COVID.

Next, moving on to the other changes to the Fee Schedule. So, I left a handout of the summary of Fee Schedule changes. So, this is like every fee that's proposed to be increased. The slides are going to do a little bit of high level instead of going into every single one that's increased. For those that aren't here and those that are listening online, we'll make sure that these are made available so that everyone has this information. The first on the Electric rates, this is a change from what was initially proposed. We got this information, the timing just didn't work in getting it into the proposed budget, but it's the consolidated residential rate. So, currently the city has six residential rates and the proposed rate schedule combines them all into one. It will be revenue neutral and, if approved, would be effective on October 1, 2022. There's no proposed changes yet on the industrial/commercial side. Those fees are still being studied by the rate consultant and when it is ready to be presented to Council, they will be.

So, just kind of going by department for fees, on the Fire side, there's new fees for fire inspections, fire permits, fire violations and service fees. These fees would solve compliance issues, hold citizens and businesses accountable or more accountable, and help recover costs. So, what we've done in the PowerPoint is just list a couple of examples of what we're talking about when we talk about these types of fees. Inspection fees for inspection of a daycare or a foster care, or a group home, that fee would be \$50. A routine inspection....the first inspection would be \$50; however, if staff has to come back for a reinspection, that fee will go up to \$100; another reinspection would then go up a little bit after that.

Violation examples, overcrowding violation. So, that could be \$100 per person, or a life safety violation over a one-year, two-year, or three-year period, you see they escalate as they go into overtime. Some examples of permits, blasting and explosives would be \$150 for one day; underground tank removal abatement and installation, that would be \$100 per tank. Then just on the service fees, on apparatus, vehicles, equipment, and personnel, an example of an engine company, that would be \$150 per unit per hour; the fee for a safety officer would be \$50 per unit, per hour; then responses to Haz Mat emergencies, if it was an engine ladder or rescue company response, the fee would be \$175 per hour and this would be charged in half hour increments after the first hour and then a full Haz Mat response would be \$350 per hour, also in half hour increments after the first hour.

Mayor Pro Tem Peters: *I have a question on that other fee schedule, if I could real quickly.....I know that some single-family homes will have multiple living in the home and I know that legally there's nothing we can do because if they're related, but is there any way that there could be a fee like if there's a certain amount of people per, like, only*

two bathrooms? Is there any way that we could kind of deter people doing that by adding a fee?

Stephen Hawryluk: *Like in what service? Electric fees... ..*

City Manager Tasha Logan Ford: *You're not talking about it being tied to a service, you're talking about just based on the number of occupants.*

Mayor Pro Tem Peters: *Yeah.*

City Manager Tasha Logan Ford: *There's not a structure in place for us to be able to do that.*

Mayor Pro Tem Peters: *The overcrowding could affect the toilet, the sewer, and all of that.*

Stephen Hawryluk: *Going to Parks & Rec, we tried to structure this on the slides by area or type. So, City Lake Park is the first one because there are a good amount of fee schedule changes or new fees that you'll see in the handout. So, there's changes to amusements such as rides, tickets, miniature golf. On the Marina side, some changes for canoe, fishing boats, or boats with a motor. As the renovations are complete, there's hope that there would be more meeting and event center rentals. There are new fees for that. These fees are for residential and non-residential. There's also some fee changes for park rentals, shelter rentals, the swimming pool, some changes to the general admission, season passes and pool rentals and, again, these are also on a residential and non-residential side. Then swim meets, there's also fees to have a swim meet at the location, so those are going up slightly as well.*

On our golf courses, Blair Park and Oak Hollow, the greens fees are increases anywhere from \$1 to \$3 and this depends on the fee. What I mean by depends on the fee, there's a different fee if you play 18 holes on a weekday versus 18 holes on a weekend, or if you walk on a weekend versus ride on a weekend, senior rates, junior rates, rates after 12 Noon. So, the specifics, again, are in the handout. And as play has increased at these courses, costs for maintenance have gone up, so this does help recover some of those costs at these locations.

Council Member Moore: *I'll just speak for myself. You can make more money if you can charge by the number of swings for rounds.*

Stephen Hawryluk: *On shelter rentals, there are increases or changes to rental fees at those locations listed. What recreation is attempting to do is get the fees where the cost is associated with the capacity of the shelter. There's also fee changes for rental of the mobile stage, the dump fee at the campground, use of the facility at the Roy Culler, Jr. Senior Center, and there's some changes at Washington Terrace Park including shelter rentals and the swimming pool.*

Touching on some of the other department fees that aren't as wide-ranging as recreation or fire, for Public Services, some increases to the cemetery fees, traditional burials, cremation urns, mausoleum crypt entombment. There's some others listed in the handout.

A new fee for the City Clerk's Office. Just a little bit of cost recovery for providing records on USB drives at \$5 per drive.

Kind of changing a little bit, on special events fees on police officers. Currently that fee is \$40 per officer, per hour, so the proposed change would kind of incrementally increase it based on rank at \$35 per officer or \$40 for a lieutenant rank and up, and then also \$50 for an officer, per hour if it was on a holiday.

Then last, at the Library. At the Farmer's Market, those are vendor registration fees, so for one week it would be \$15; for four weeks \$50; and for the full season, it would be \$200. A change in library cards. Currently if you live outside the county, you pay a \$40 fee. This would make library cards free to anyone with a photo idea and proof of a current address, and also some changes to overdue fines. Currently, if you're overdue, you pay 10 cents per item per day, so the proposal is to eliminate that, but then if an item ultimately is not returned, you'll be placed in "lost" status and your account will be charged the full cost of that item. And, then if you're over a certain amount of how much you owe, you cannot renew books, you cannot check out movies, you can't really do anything if you get to that status.

That's all on fee schedule changes. The next area is Community Agency funding.

So, this first slide kind of breaks down the full budget, the direct appropriations that the manager alluded to, and also the 1/3 of a penny allocation. So, you see those listed. I will note that on the 1/3 of a penny allocation, in the current year, that was about \$337,000, but with the reval and the increased value of one cent on the tax rate, we were able to increase that 1/3 of a penny to \$425,160.

Council Member Moore: *Can you go back one? Didn't we at one time, I see the Greensboro Swim program, didn't we have a program started up here in High Point that directly assisted and ran through our Y system or something at one time where we helped kids learn to swim? Did we not fund that at some point? Does anybody know?*

Eric Olmedo: *My memory serves that the Greensboro Swim Program also does programming at the YMCA as well. So, that's listed as Greensboro Swim Program, but they also do programming at the Hartley Y and I'm not sure about the Chavis Y.*

Mayor Wagner: *Verify that, but I think you're right. I think that program is run through that Greensboro Swim. Let's verify that, just to make sure. That was the money we gave....it was a collaboration between the High Point Swim Club and the YMCA and somebody in Greensboro and it was to teach every kid in the school system to swim.*

Eric Olmedo: *Correct.*

Stephen Hawryluk: *The next few slides is a listing of agencies and the amounts they requested for FY 2022-2023. So, I'm not going to read through all of them. You can kind of see the cost range. So, the total requests of those non-direct appropriations total \$980,863. Showing again, the 1/3 of a penny allocation is \$425,160. The next steps for the community agency process, as has been done in the past, the applications would be reviewed by the Finance Committee; a recommendation would come out of that committee of the allocation of the 1/3 of a penny; and then Council would approve the full allocations for FY 2022-2023.*

Then, next steps, this is just our current schedule. As we have it, tomorrow from 3-00 to 4:00 p.m. if necessary. The public hearing is scheduled for Monday's City Council Meeting. That meeting starts at 5:30. Then Thursday, May 19th and Monday, May 23rd from 3:00 to 5:00 p.m., again, if necessary.

I'll be happy to answer any questions that you all may have.

Mayor Wagner: *Okay, the floor's open for council folks, do you have any questions for staff about budget for what we've heard today? Anybody listening online that has any questions?*

Council Member Hudson: *Yes, this is Council Member Hudson, and it's probably a question for Council Member Moore. How do we stand with the non-profit allocations and where are we at in that process?*

Council Member Moore: *They have not been brought before us yet, so, now that we've seen that, I haven't been notified that they're in process. So, this is the first on this cycle that I've known of it, so we will be getting on this very quickly.*

Council Member Hudson: *Thank you, Sir. That's the only question I had.*

Council Member Moore: *Going back to the overview from what was presented the other night. You know we're talking about revenue neutral versus the tax rate. Where do we stand with that, and the effects this had? I don't anybody questions the uncertainty and the stress that our economy has been under and the adjustments that we've made over the last few years trying to hit an ever-moving target. Revaluation just throws another wrench into it and you're going to get it whenever you do.*

I would like to suggest and see if staff could maybe take a deeper dive as far as a number, just to see what it looks like. Because a lot of citizens, whether they're working or whether they're on a fixed income, or what-not, are struggling in a lot of areas. We have a responsibility, not only to run the city's finances correctly, but to deliver the services that the citizens expect and it's a complicated thing and, in my eyes, seems to have become even more complicated drastically in the last three years. With that being said, I would like to see if there could be, at least, an overview or a summary review type presentation of what things would look like if we came back at one or two cents off of that in addition to what's being proposed and seeing where we can strike that balance.

I would also know that we are not handicapped, but we work within the rules and regulations that all cities in the state do, and I know that we don't have the authority to do. But, I would like for staff to look into the possibility of, because I know government doesn't move real swift, but I would like to ask staff to look into the possibility of helping us craft and introduce a bill that would, and it probably couldn't come in the short session, so it wouldn't have a direct effect on this. But maybe it could set the seed for something going forward to where we get a partial exemption on property taxes for qualifying individuals. Perhaps capped by an amount for people over a certain age, 65 or whatever, based on the real value of their property and income limitations or something of that nature. I've heard the idea passed before, but nothing has ever seemed to come of it and I don't know that it would even get the votes to pass. But I would like to at least open that conversation. I'm pretty certain that would be something that would have to be done at the state level to take effect.

City Manager Tasha Logan Ford: *I think that there's some existing relief that is available for seniors and individuals at certain incomes. Maybe we can provide that. It's been in place for a little while and I don't know that people are necessarily aware of that option that's out there, but we can also make sure that information is available through the city's website too. I'll get a copy of that and make sure that's shared with Council, but there is some existence of, I believe what you're asking for, that's in place. But I don't think it's widely publicized. Let's look at what already exists there and see if there's another level you would like for staff to explore on that particular piece.*

Council Member Moore: *And you think that piece that you're referring to that's in existence is a statewide and it's not just be county?*

City Manager Tasha Logan Ford: *It's statewide.*

Mayor Wagner: *I don't know exactly what the criteria is, but you get a 50% reduction in the taxable value of your property if you qualify. I know it's come up in real estate transactions with me before where someone has the exemption is selling their property and we have to adjust sometimes the tax proration based on it not applying anymore. So, I do know it's out there.*

City Manager Tasha Logan Ford: *I believe it's called the Homestead Act if I'm not mistaken, but we'll get that information.*

Mayor Pro Tem Peters: *Let me ask you this question, Tasha. That made me think of something. So, if we approve the Fair Housing and I think it's on our agenda for Monday, would that person kind of be able to help navigate this with some of the citizens?*

City Manager Tasha Logan Ford: *Not directly, they are two separate issues, but I do think that on our city information where we're publishing our budget and what our tax rate is for the city, we could put the information to this particular act and that way people would be able to find the information. The Fair Housing issues and this are two separate*

things. But in terms of referral and information that we provide citizens, we can give them the information.

Mayor Pro Tem Peters: Okay.

Council Member Moore: Thank you.

City Manager Tasha Logan Ford: And on the, you know one thing that comes to mind because we're all so very mindful of what we're recommending with the tax rate and realizing all the things that our citizens are dealing with. You know, with last year, there was the decision that was made by Council to defer putting capital costs/capital equipment costs in the budget which is one of the reason why there is a bit of a jump in this year's budget. Among several, but that's one. But the reason that was done is for us to determine what money would be put back in Fund Balance as our budget manager spoke of earlier. But, then also, we knew that there might be the opportunity to use some of our federal money to help with our public safety salaries which is what we used this year to fund capital. That's another option that we could consider this year, but, again, we just realize that we know those costs are a part of what we need to do business, but that's one area that we could consider, reducing the amount of capital that we have in this year's budget. And based on what we're able to put back in our Fund Balance, based on how we perform this year, we may be able to bring more of those items back. We already have a list of about \$1,000,000 that we would like to bring back to you. But that's one area that we can evaluate and see what the impact would be on the tax rate. That's not a long-term solution because we will continue to have those capital needs to support operating. It's kind of a one-time thing that you could do to address the tax rate, but again you're going to have the same issue next year.

Council Member Moore: Right, well yeah. And we've done that, and we can get off in the weeds on a whole lot of reasons why and shutting down an economy doesn't help things much at all. You know, some of this maintenance that any sitting Council addresses through budgeting, it is based on decisions that may have been made by that Council or even ones that were in place a decade ago. So, I think.....where are we on the water, you know we've been on that 4% increase. Was it the Ferguson Group that did that?

Eric Olmedo: It's Davenport.

Council Member Moore: Davenport. Does that have a....is that just a continual thing that they're recommending, or did that have a sunset in it?

Eric Olmedo: It did not have a sunset. It's a continual thing that is reviewed every year to determine, you know, future needs, so that we stay in compliance with our covenants on the bond issues. But there's not a sunset per se' on that.

Council Member Moore: And a lot of that, I mean, part of that is going back, because each of us know and it's been said over and over in the paper and everywhere else, with

the new growth and stuff, we're trying to bring up to par our infrastructure that's antiquated and outdated. That's part of that money as well, correct?

Eric Olmedo: *That's correct.*

Council Member Moore: *How do we assess how we're doing on catching up that that is supposedly outdated and behind?*

Eric Olmedo: *I think one metric is the number of water/wastewater spills that we have in that system that we have, and we track and when we meet with bond rating agencies, you know, that's one of those numbers that they look at. When we started with Davenport in 2004 I believe, I mean we were having tremendous numbers of wastewater spills, that kind of thing, which was really an indicator that said we need to address our system, we need to invest in our system. So, as those numbers have come down.....and of course that was over twenty years ago, so that infrastructure that was in place that was good twenty years ago is now needing to be replaced. So, it's a continual cycle.*

Council Member Moore: *Well, yeah, it is, and we also have to factor in, I guess, the positive pain that our city has experienced in growth and others haven't had that good fortune. So, just trying to balance the two out and catching up. Thank you for the discussion.*

Mayor Wagner: *Any other questions for staff? Okay, let's talk about whether we feel like we need to meet again tomorrow, or do you want to wait until after the public hearing which is Monday? Do we want to wait until after the public hearing on Monday, then possibly decide then whether we want to have two additional meetings? What are the thoughts of Council on that?*

Council Member Moore: *I think that sounds like a more prudent path.*

Mayor Wagner: *Than which one?*

Council Member Moore: *To wait until after the public hearing.*

Mayor Wagner: *Britt suggested that we wait until after the public hearing. Is there any objection to that?*

Council Member Hudson: *That seems to make sense to me.*

Mayor Pro Tem Peters: *I cannot be here on the 19th. I think that was one of the proposed dates.*

Mayor Wagner: *Will you be available remotely on the 19th?*

Mayor Pro Tem Peters: *Yeah.*

Mayor Wagner: *You can always listen. Any objection to that by any Council people or those that are online?*

[no objections voiced]

Mayor Wagner: *Alright, is there anything else while we're here folks? Okay, based on the agenda, we're limited to what's on the Special Meeting Agenda.*

Well, in that case, I'll entertain a motion to adjourn.

Council Member Moore: *So moved.*

Mayor Wagner: *Is there a second?*

Mayor Pro Tem Peters: *Second.*

Mayor Wagner: *There's a motion and a second to adjourn. All those in favor, please signify by saying Aye.*

Is there anyone opposed? [none]. Okay, that motion passes, and we're adjourned.

ADJOURNMENT

The meeting adjourned at 4:20 p.m.

Respectfully submitted,

Jay W. Wagner, Mayor
City of High Point

Attest:

Lisa B. Vierling, MMC
City Clerk